GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:28
ANSWERED ON:13.08.2007
MINIMUM SUPPORT PRICE FOR CROPS
Baxla Shri Joachim;Chavda Shri Harisinh Pratapsinh

Will the Minister of AGRICULTURE be pleased to state:

(a) the names of agricultural produces for which the Government fixes Minimum Support Prices (MSP);

(b) the steps being taken by the Government to ensure stability in the prices of the agricultural produces for which Minimum Support Prices are not fixed;

(c) whether the farmers are facing a lot of problems in selling their crops at MSP;and

(d) if so, the reasons therefor and the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 28 DUE FOR REPLY ON 13TH AUGUST, 2007.

(a) & (b): The Government fixes Minimum Support Prices (MSPs) for 25 crops namely Paddy, Jowar, Bajra, Maize, Ragi, Arhar (Tur), Moong, Urad, Cotton, Groundnut-in-shell, Sunflower seed, Soyabean, Sesamum, Nigerseed, Wheat, Barley, Gram, Masur (Lentil), Rapeseed/Mustard, Sunflower, Toria, Copra, Jute and Tobacco and Statutory Minimum Price (SMP) for Sugarcane.

In addition, Government implements Market Intervention Scheme (MIS) on the request of a State/UT Government for procurement of agricultural and horticultural commodities not covered under the Price Support Scheme. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25 in case of North-Eastern States). However, the amount of loss to be shared between Central Government and the concerned State Government is restricted to 25% of value of procurement. Profit, if any, earned by the procuring agencies is retained by them.

(c) & (d): Appropriate procurement arrangements are made by the designated agencies to buy agricultural produce at MSP in different States. Further, with the amendment of the Agricultural Produce Marketing Committee (APMC) Act, the farmers now have more options to sell their produce to the prospective buyers. If the market price is more than the MSP fixed by the Government, farmers are free to sell their produce in the open market.